

Application SN: 09/747,117  
Amendment Dated: August 30, 2004  
Reply to Office Action of: March 30, 2004

**REMARKS**

The Office Action has been reviewed. The thorough comments of the Examiner in the detailed action are noted. Initially, the Examiner has rejected Claims 1 to 4, 6 to 10, 12, 13, 15 to 32, 35 to 39 and 44 to 47 under 35 U.S.C. §102(e) as being anticipated by Burke, U.S. Patent No. 6,112,191.

At the outset, a brief review of the Applicants' invention is believed helpful. The Applicants' invention is based on the underlying principle that consumers today are acutely aware that personal savings remain an important component of a safe and secure retirement future, particularly in view of the questionable viability of the Social Security system. Currently a wide variety of market participants are willing, as a sales inducement and loyalty marketing opportunity, to pay a portion of each qualified transaction into an investment account. Accordingly, the present invention provides a system for financial transactions which utilizes existing financial structure and software so that qualified transactions will result in the consumers being entitled to a monetary rebate and possibly other benefits which are transferred to an investment account. The account preferably is tax deferred and from which funds are withdrawn only upon the occurrence of an event such as retirement. The investment accounts are held and administered by fiduciaries on behalf of participants. The system permits payment card issuers, merchants, payment card processors, merchant acquiring

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institution, banks and service providers, manufacturers and other business entities to participate as benefit sponsors and to offer benefits to participating consumers in the form investment account deposits. Thus, in a general sense, the system of the present invention is a financial system and more particularly may be termed a “loyalty and reward system” allowing participants to engage in a financial transaction and receive a rebate by purchasing goods or services from benefit sponsors.

Claim 1 has been amended to more particularly point out that the specified benefit to the participating consumer is in the form of a rebate and, as presented, Claim 1 is believed to clearly delineate and distinguish over the prior art.

The prior art patent to Burke, U.S. Patent No. 6,112,191, relates to a method and system to create excess funds from consumer spending. A basic difference is that the Burke system is funded by the participant or payor. Thus, a participant in a financial transaction, such as the purchase of goods, may, through the Burke system, enter an additional amount above the purchase price and this additional amount is deposited into an account, preferably with the payee being a neutral in the transaction. The funds can be held by banks, insurance companies and the like and the subscriber can determine how to utilize these funds. The participant, designated an “SP” in the Burke patent, can also make a direct deposit without making a purchase as well. The

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subscriber may also designate the donations be directed to accounts and qualifying charities so that the SP is provided with a receipt for donations.

Thus, there is no suggestion within the Burke patent of a rebate system which is funded by third party entities such as merchants, card issuers, product  
5 manufacturers and service providers. Rather, the system of Burke simply allows an individual to direct funds, either at the time of purchase or independent of a purchase, into an account either for the benefit of the payor or for charitable purposes.

Thus, for prior art to anticipate under 35 U.S.C. every element of the claimed invention must be identically disclosed, either expressly or under principles of  
10 inherency in a single reference. *Corning Glassworks vs. Sumitomo Electric*, 9 USPQ 2d 1962 (Fed.Cir.1989) The exclusion of a claimed element no matter insubstantial from the prior art reference is enough to negate anticipation. Accordingly, it is submitted that Claim 1, as currently presented, is not anticipated by Burke. Further, it is submitted Claim 1 is not rendered obvious in view of Burke. When the Burke  
15 reference is taken in its entirety, it is clear that Burke does not appreciate the existence of and does not teach or suggest the method with which the claimed invention is concerned, namely a loyalty system in which merchant rebates and rebates of others are invested for the benefit of the participant.

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As pointed out above, the benefit to the participant is the building of an account for future use. The benefit to the benefit sponsors is customer loyalty and increased sales. While the Burke system is a self-funded system which may, over time, build into a retirement account, *the funds used are the participant's own funds*.

5 Further, there is no substantial merchant or benefit sponsor loyalty feature and purchases are not necessarily required with Burke.

Turning now to the additional claims, Claims 2, 3, 6, 7, 10, 12, 13, 15, 16, 17, 19, 22, 23, 25, 26 to 30, 35, 36, 44, 46 and 47 are all dependent on Claim 1 and are urged allowable for the reasons set forth above. Applicants' make no claim, *per se*, to  
10 the features set forth in these claims apart from the novel system defined in Claim 1.

Claim 9 has been cancelled as it essentially duplicates Claim 10.

Turning to the additional claims discussed by the Examiner in paragraph 1 of the Detailed Action, some specific comments regarding these claims is appropriate. Regarding Claim 4, the Examiner states the Abstract and columns 4, lines 11 to 62  
15 and column 14, lines 1 to 2 suggest that an investment account is entitled to accumulate income and gain on a tax deferred basis. Applicants' have reviewed these sections of the Burke patent and are unable to locate this language. However, it is again emphasized that this claim is dependent on Claim 1.

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Regarding Claim 8, the Examiner states Burke discloses qualifying activity of the participating consumer to the appropriate benefit sponsor. Claim 8 specifies the reporting of the qualified activity of the participating consumer is provided to the benefit sponsor. In the Burke system, there are no benefit sponsors that provide rebates.

Regarding Claim 18, Burke is cited as disclosing the participating consumer is entitled to receive predetermined investment account benefit, independent of whether the merchant or service provider accepts that card. The cited portion of Burke, namely column 10, lines 29 to 45, column 11, line 79, states the user may direct funds to a temporary account such as a charity not listed by the system.

Claim 18 deals with an entirely different situation in which the participant purchases from a merchant or service provider is not member of the system and accepts the card. While the amount or rebate to the participant may be reduced, participant nevertheless receives a benefit in this situation.

Regarding Claim 20, again it is emphasized that Burke does not suggest a rebate system, therefore the participants of the Burke system do not receive an investment account for amounts spent. Rather, the Burke system relies on voluntary donations or contributions made by the participants.

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Claim 21 states that a participating consumer may register and use a payment card as authorized payment which is not issued by a benefit sponsor. The cited section of the Burke patent discusses an example involving Sears. Sears enrolls a subscriber and consumer in a Sears store account. Thus, Sears, the issuing party, is a participant in the system and the example is not suggestive of a system which a payment card may be utilized which is not issued by a benefit sponsor. Also, it is again emphasized that with the example, funds deposited are not a rebate, but rather are a transfer or contribution of excess funds by the participant.

As to Claim 24, Burke is cited as disclosing a participating consumer who also participates in an independent shopping or loyalty program and may designate a portion of the benefits available under the independent program be directed into the investment account. The Burke system allows the consumer to selectively direct donations and various percentages to various donees or institutions. With the Applicants' system, as defined in Claim 24, the participating consumer may direct benefits, such as rebates, that may be obtained from another third party source (i.e. another credit card issuer) into the present systems so that these amounts can be deposited in the investment account. In this way, funding from other sources can be used to build the account. There is no suggestion of this within the Burke patent.

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Claims 21 to 30 are all either directly or indirectly dependent upon Claim 1 and are also urged allowable for the reasons stated with respect to Claim 1.

Regarding Claim 31, it is again emphasized that in the Applicants' system, the consumer receives an investment account benefit in connection with the purchase of predetermined goods and the benefit is not as a result of donation or contribution.

Regarding Claim 32, there is no suggestion of an incremental investment account benefit at the result of some qualifying activity. Rather, the cited portion of the Burke patent suggests the donor may receive a coupon or that the donor's donation may be matched by an independent sponsor. However, there is no incremental account benefit deposit which accrues to the donor.

Claim 37 has been cancelled in view of Claim 36.

Claim 38 states that third parties, at the direction of the benefit sponsors, may fund the consumer's investment account *via* electronic means. While Burke does utilize electronic means such as SDI to transfer funds, there is no suggestion of third party funding at the direction of benefit sponsor. A typical situation in which this would occur is when a person makes a qualified purchase such as at a supermarket of a particular product. The manufacturer of the product would pay a rebate at the direction of the supermarket to the benefit sponsor. Thus, with Applicants' system, rebates can come from various sources such as manufacturers, card issuers, service

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providers, which substantially increase both the percentage amount and frequency of deposits causing the account to rapidly grow.

Regarding Claim 39, the reference to column 10, lines 55 to 59 suggest only that a consumer may request a list of accounts and balances. This is not a suggestion of tracking information relating to spending habits and preferences of participating consumers for use in the system. This type of information is valuable marketing demographic information and is not considered in the Burke system.

Claim 45 has also been amended to more particularly point out and amplify that the investment account benefit is in the nature of a rebate which clearly distinguishes over Burke, as has been discussed in detail above with respect to Claim 1.

Claims 46 and 47 are dependent on Claim 45 and believed allowable for this reason.

Claims 5, 11, 14, 33, 34 and 43 have been rejected under 35 U.S.C. §103 as being unpatentable over Burke. Applicants make no claim, *per se*, to the features of Claims 5, 11, 14, 33, 34, and 43 apart from the novel features set forth in the base Claim 1. As to Claim 43, it is noted that the Examiner acknowledges Burke does not teach the statements or piggy-back communications accompanying other communications. It is suggested that Burke does not provide any motivation when



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one ordinarily skilled in the art to employ "piggy-back" communications in a system.

It is again emphasized that the Burke system is a voluntary contribution or donation system funded by the payor, in direct contrast to the Applicants' system in which is a rebate system funded by various benefit sponsors for the benefit of the participant.

5 Burke is devoid of any suggestion of a rebate system funded by benefit sponsors.

Based on the foregoing, it is believed the claims as presented herewith are clearly patentable over the art of record, both under 35 U.S.C. §§102 and 103.

A two month petition fee in the amount of \$210.00 accompanies Response.

A favorable action is respectfully solicited.

10 Respectfully submitted,

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